

OVERSIGHT BOARD RESOLUTION NUMBER OB-2014-59

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF  
SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE  
LONG-RANGE PROPERTY MANAGEMENT PLAN AND RELATED  
ACTIONS GOVERNING THE DISPOSITION OF THE FORMER  
REDEVELOPMENT AGENCY'S NON-HOUSING REAL  
PROPERTY ASSETS.

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City); and

WHEREAS, in accordance with Assembly Bill x1 26 (AB 26) enacted on June 28, 2011, the Former RDA dissolved as of February 1, 2012, at which time the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA's assets and obligations; and

WHEREAS, the Successor Agency is required to administer the winding down of the Former RDA's operations and to ensure compliance with the Former RDA's obligations in accordance with AB 26, as subsequently amended (collectively, the Dissolution Laws); and

WHEREAS, based on a current inventory, the Successor Agency owns a total of 45 non-housing real property assets (each, a Property, and collectively, the Properties), some of which encompass multiple individual parcels; and

WHEREAS, California Health and Safety Code (Code) sections 34191.1 and 34191.3 entitle the Successor Agency, upon the issuance of the finding of completion by the State Department of Finance (DOF), to submit a long-range property management plan (PMP) that addresses the disposition and use of the Properties; and

WHEREAS, the DOF issued the finding of completion to the Successor Agency in a letter dated December 2, 2013; and

WHEREAS, pursuant to Code section 34191.5(b), the Successor Agency must prepare and submit the PMP to the Oversight Board and the DOF no later than six months following the DOF's issuance of the finding of completion, which equates to June 2, 2014 in this instance; and

WHEREAS, Code section 34191.3 confirms that the PMP, in the final form approved by the DOF (Final Approved PMP), will govern, and supersede all other provisions of the Dissolution Laws relating to, the disposition and use of the Properties; and

WHEREAS, pursuant to Code section 34191.5(a), the Community Redevelopment Property Trust Fund, to be administered by the Successor Agency, is established to serve as the repository of the Properties; and

WHEREAS, Code section 34191.5(c)(1) requires the PMP to identify various information as to each Property, including the acquisition date, acquisition value and current estimated value, purpose of acquisition, parcel information (address, lot size, zoning), any available appraisal information, estimated revenues, history of environmental contamination and remediation efforts, description of potential for transit-oriented development and advancement of local planning objectives, history of previous development proposals and rental/lease, and proposed use or disposition; and

WHEREAS, Code section 34191.5(c)(2) requires the PMP to categorize the Properties within four permissible uses, including (i) retention for governmental use pursuant to Code section 34181(a) (Governmental Use Properties); (ii) retention for future development (Future Development Properties); (iii) sale or liquidation (Liquidation Properties); and (iv) fulfillment of an enforceable obligation (Enforceable Obligation Properties); and

WHEREAS, California Government Code section 54222 requires a public agency to provide advance notice of the proposed sale of "surplus land" to relevant governmental entities, in which event any entities who intend to acquire the land have 60 days to respond; and

WHEREAS, the Properties do not qualify as surplus land because the State Legislature, not the Successor Agency or the City, is dictating that the PMP govern the use and disposition of the Properties, and therefore, the noticing procedures for surplus land under State law do not apply to the disposition of the Properties; and

WHEREAS, in accordance with Code section 34191.5(c), the Successor Agency has prepared the proposed PMP, including a narrative summary and four exhibits (collectively, the Proposed PMP), a copy of which is included as Attachment 1 to the Staff Report dated April 22, 2014, accompanying this Resolution (Staff Report); and

WHEREAS, with reference to the four permissible use categories, the Proposed PMP includes: (i) 10 Governmental Use Properties to be transferred by the Successor Agency to the City for continued use and operation; (ii) 19 Future Development Properties to be transferred by the Successor Agency to the City for future redevelopment; (iii) 4 Liquidation Properties to be sold by the Successor Agency to a third party; and (iv) 12 Enforceable Obligation Properties to be retained by the Successor Agency for fulfillment of the underlying enforceable obligation, and where appropriate, to be transferred to the City upon the earlier of expiration of the applicable redevelopment plan or fulfillment of the enforceable obligation; and

WHEREAS, in accordance with the PMP, the 19 Future Development Properties will be used for the future development of a project identified in an approved redevelopment plan, as defined in Code section 34191.5(c)(2)(A)(ii) and as further clarified in the DOF's guidance documents; and

WHEREAS, the 19 Future Development Properties consist of 6 "public facility sites" on which the City will cause a future public improvement project to be constructed and 13 "opportunity sites" on which a private developer or third party will construct the identified project after acquiring ownership of the site from the City; and

WHEREAS, Code section 34191.5(c)(2)(A)(ii), which governs the disposition and use of Future Development Properties in the context of the PMP, supersedes the provisions of Code section 34180(f) regarding the payment of compensation for future redevelopment properties as described in Code section 34191.3, and does not require the City to pay any compensation for the Future Development Properties included in the Final Approved PMP; and

WHEREAS, Code section 34191.5(c)(2), which governs the disposition and use of the Governmental Use Properties, makes a cross-reference to Code section 34181(a), which in turn states that any compensation to be provided to the Successor Agency for any Governmental Use Property shall be governed by any existing agreements relating to the construction or use of that asset; and

WHEREAS, the Successor Agency is not aware of any existing agreements relating to the construction or use of any Governmental Use Properties that provide for the payment of any compensation to the Former RDA or the Successor Agency in exchange for the asset or that seek to attribute a value to the asset; and

WHEREAS, the Proposed PMP contemplates that the City will pay \$1 to the Successor Agency for each of the public facility sites, but will not pay compensation to the Successor Agency upon acceptance of the opportunity sites, the Governmental Use Properties, or (where applicable) the Enforceable Obligation Properties; and

WHEREAS, the Proposed PMP envisions that certain Properties may be leased by the Successor Agency or the City, as the case may be, to a third party for revenue-generating interim uses, or for special events, pending final disposition; and

WHEREAS, pursuant to Oversight Board Resolution OB-2014-34, adopted by the Oversight Board on November 20, 2012, the Successor agency is currently authorized, until the Final Approved PMP is available, to allow temporary access to the Properties for special events

subject to the terms and conditions of Right of Entry Permits which shall include requirements for the benefit and protection of the Successor Agency's financial interests, provided that the organizer of the special event first obtains all approvals and permits required by law; and

WHEREAS, a proposed agreement for the sale of each of the Liquidation Properties will be presented for approval by the Oversight Board and the DOF at a future date, once a buyer and a purchase price have been identified; and

WHEREAS, the Proposed PMP envisions that the Successor Agency will transfer to the City fee title ownership of certain Properties by grant deed, in substantially the form of Attachment 2 to the Staff Report; and

WHEREAS, the Proposed PMP envisions that the Successor Agency will transfer to the City all contracts and other items related to certain Properties by assignment and assumption agreement, in substantially the form of Attachment 3 to the Staff Report; and

WHEREAS, upon the Oversight Board's adoption of this Resolution, Successor Agency staff will transmit this Resolution and the Proposed PMP to the DOF for approval; and

WHEREAS, Code section 34191.5(c)(2)(A) provides that the Successor Agency will be authorized to dispose of the Properties in accordance with the Final Approved PMP.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board, as follows:

1. The Board approves the Proposed PMP in substantially the form attached to the Staff Report as Attachment 1, including the narrative summary and four exhibits.
2. The Board approves the Successor Agency's execution of all documents reasonably necessary to implement the Final Approved PMP, including but not limited to any conveyance instruments or other appropriate actions necessary to accomplish the transfer of the Governmental Use Properties and the Future Development Properties, as well as the Enforceable

Obligation Properties where appropriate, from the Successor Agency to the City in accordance with the Final Approved PMP.

3. Commencing upon the DOF's confirmation of the Final Approved PMP, the Successor Agency shall continue to be authorized to allow temporary access to the Properties for special events subject to the terms and conditions of Right of Entry Permits, which shall include requirements for the benefit and protection of the Successor Agency's financial interests, provided that the organizer of the special event first obtains all approvals and permits required by law, until such time that the Successor Agency is required to dispose of the Properties in accordance with the Final Approved PMP.

4. Commencing upon the DOF's confirmation of the Final Approved PMP, the Successor Agency shall be authorized to allow short-term access to certain Properties for interim uses reasonable and compatible with the uses or disposition of those Properties identified in the Final Approved PMP, subject to any existing obligations, and subject to the terms and conditions of Right of Entry Permits, Leases, or other similar agreements, which shall include requirements for the benefit and protection of the Successor Agency's financial interests, provided that the permittee, lessee, or other such party obtains all approvals and permits required by law, until such time that the Successor Agency is required to dispose of the Properties in accordance with the Final Approved PMP.

**PASSED AND ADOPTED** by the Oversight Board at a duly noticed meeting of the Oversight Board held on April 25, 2014.

  
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Acting Chair, Oversight Board